

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Greenbelt Division)

In re:

Health Management Resources, Inc.

Debtor

Case No: 05-12871 - WIL

Chapter 7

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AMENDED FIRST APPLICATION FOR ALLOWANCE OF INTERIM
COMPENSATION AND REIMBURSEMENT OF EXPENSES INCURRED BY
INVOTEX GROUP AS FINANCIAL ADVISORS TO SPECIAL COUNSEL TO THE
TRUSTEE FOR PERIOD OF MAY 7, 2007 THROUGH
OCTOBER 31, 2007

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Name of Applicant: Invotex Group, Inc. or "Applicant"

Authorized to Provide Professional Services to: Special Counsel to the Trustee

Date of Retention: May 7, 2007

Period for which compensation and reimbursement is sought: May 7, 2007, through October 31, 2007 (the "Application Period")

Amount of Compensation sought as actual, reasonable and necessary: \$31,601.45

Amount of Fee Period Compensation Previously Paid Pursuant to the Court's Administrative Order (the "Administrative Order") \$0.00

Amount of Expenses Reimbursement sought as actual, reasonable and necessary: \$555.65

Amount of Fee Period Expense Reimbursement Previously Paid Pursuant to the Order. \$0.00

This is an monthly interim final application

Is the time spent preparing the monthly fee applications included in the total hours described in the Fee Application? Yes No. (Fee Statements only)

Name of the Firm/Party in Interest: Invotex Group

Interim Fee(s) Previously Allowed: \$0.00

Interim Fee(s) Previously Sought: \$0.00

Retainer Received:	\$5,000.00
Interim Expenses Previously Allowed:	\$0.00
Interim Expenses Previously Sought:	\$0.00

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
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Debtor

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Chapter 7

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**AMENDED FIRST APPLICATION FOR ALLOWANCE OF INTERIM
COMPENSATION AND REIMBURSEMENT OF EXPENSES INCURRED BY
INVOTEX GROUP AS FINANCIAL ADVISORS TO SPECIAL COUNSEL TO THE
TRUSTEE FOR PERIOD OF MAY 7, 2007 THROUGH
OCTOBER 31, 2007**

Invotex Group, Inc. ("Invotex") files this Amended First Application for Allowance of Interim Compensation and Reimbursement of Expenses Incurred by Invotex as Financial Advisors to Special Counsel to the Trustee for the period of May 7, 2007 through October 31, 2007 (the "Application"), pursuant to §§ 330 and 331 of the Bankruptcy Code (the "Code") and Fed.R.Bank.P. 2016 seeking interim compensation in the amount of **\$31,601.45** (net of a discretionary adjustment of **\$11,265.05, or 26%**) for professional fees and **\$555.65** for expenses.

In support of the Application, your Applicant respectfully represents as follows:

INTRODUCTION

1. This Court has jurisdiction to hear this matter pursuant to 28 U.S.C. §§ 157 and 1334, 11 U.S.C. §§ 328, 330 and 331, Bankruptcy Rule 2016 and Local District Court Rule 401. This is a core proceeding.
2. On May 30, 2007, the Trustee filed an Application for Authority to Employ

Invotex as Financial Advisors to Special Counsel to the Trustee Nunc Pro Tunc to May 7, 2007. On **June 19, 2007**, this Court signed an Order authorizing the Committee to employ Invotex as Financial Advisor to Special Counsel.

3. Invotex is familiar with and is submitting this Application in conformity with the Compensation Guidelines for the U. S. Trustees and Other Professionals in the United States Bankruptcy Court for the District of Maryland.

The Compensation Requested

4. This Application seeks compensation as set forth below in the amount of **\$31,601.45** (net of a discretionary adjustment of **\$11,265.05**, or **26%**) for services rendered and **\$555.65** for expenses incurred during the period of May 7, 2007 through October 31, 2007 (the "Application Period").

5. Attached as Exhibit A, is a schedule listing all time entries and related fees. Set forth below is a summary of the fees by category.

	CATEGORY	HOURS	AVG. RATE	NET FEES
A	Prepare for and meet / call with Legal Counsel or HMR Management	17.10	\$354.56	\$6,063.00
B	Read and Organize Documents Produced	96.30	143.40	13,809.00
C	Prepare Financial Analysis	86.70	227.21	19,699.50
D	Perform Administrative Procedures	3.00	55.00	165.00
E	Employment Application	4.60	269.57	1,240.00
F	Plan Procedures to be Performed	0.40	425.00	170.00
G	Non-Working Travel	5.00	344.00	1,720.00

H	Less Discretionary Adjustments:			
	Prepare for and meet / call with Legal Counsel or HMR Management (41%)	(8.50)	290.00	(2,465.00)
	Read and Organize Documents Produced (26%)	(35.67)	99.94	(3,564.70)
	Prepare Financial Analysis (7%)	(5.88)	229.65	(1,350.35)
	100% of Perform Administrative Procedures	(3.00)	55.00	(165.00)
	100% of Non-working Travel	(5.00)	344.00	(1,720.00)
	Courtesy Discount			(2,000.00)
	TOTAL FEES	155.05	\$203.81	\$31,601.45

6. Set forth below is a summary of the names, position held, time, hourly rate and total fees sought for the Applicant and each individual who provided accounting and financial consulting assistance during the Application Period, listed in order of billable rate.

NAME	POSITION	HOURS	HOURLY RATE	NET FEES
Neil H. Demchick (NHD)	Managing Director	13.80	\$425.00	\$5,865.00
Neil H. Demchick (NHD)	Managing Director	1.80	400.00	720.00
Kerby R. Baden (KRB)	Director	65.90	290.00	19,111.00
Kerby R. Baden (KRB)	Director	6.00	250.00	1,500.00
Cheryl D. Nardone (CDN)	Senior Consultant	50.80	165.00	8,382.00
Derek M. Ciotta (DMC)	Consultant	5.50	150.00	825.00
Myioshi L. Gubbings (MLG)	Analyst	66.30	95.00	6,298.50
Beth A. Marzano (BAM)	Admin	3.00	55.00	165.00
<u>Discretionary Adjustment</u>		(58.05)	<u>194.06</u>	(11,265.05)
TOTAL FEES		155.05	\$203.81	\$31,601.45

Breakdown of Services Provided

7. The Applicant provided a variety of analyses and procedures as a part of the examination during the Application Period, which services have been categorized separately as set forth below:

- A. Prepare for and meet / call with Legal Counsel and HMR Management.** The Applicant's procedures included preparation for and participation in meetings and telephone calls with legal counsel and HMR management. The meeting with Special Counsel was regarding case administration and procedures to perform. The meeting and calls with HMR management involved discussions regarding the history of the Debtor, various staffing contracts the Debtor was a party to, historical financial activity of the Debtor, search for and identification of potentially relevant documents, and overall business operations and procedures of the Debtor. The net fees incurred for this category during the Application Period totaled **\$3,598.00** (net of discretionary adjustment of **\$2,465.00**, or **41%**). Discretionary adjustments were made to remove the fees for a second Invotex professional at two of the meetings. These fees represent approximately **8.60** hours of work at an average hourly rate of **\$418.37**.
- B. Read and Organize Documents Produced.** The Applicant's procedures included reading and organizing various legal and corporate documents such as pleadings, financial statements, income tax returns, contracts and related information, payroll records, correspondence, and other documents provided by counsel and HMR management. The net fees incurred for this category during the Application Period totaled **\$10,244.30** (net of discretionary adjustment of **\$3,564.70**, or **26%**). These fees represent approximately **60.63** hours of work at an average hourly rate of **\$168.96**.
- C. Prepare Financial Analysis.** The Applicant's procedures included analysis of the Company's financial records, projection of future operations had the alleged improper acts not occurred, and estimated value of the related lost income. More specifically, Applicant analyzed income tax returns, financial statements, contracts, and other financial documents to normalize historical operations and project future operations. These

analyses were then used to estimate the value of the related lost income. The net fees incurred for this category during the Application Period totaled **\$18,349.15** (net of discretionary adjustment of **\$1,350.35**, or 7%). These fees represent approximately **80.82** hours of work at an average hourly rate of **\$227.03**.

- D. Perform Administrative Procedures.** The Applicant's procedures included administration procedures as well as performing overall document management of the various documents received from legal counsel and HMR management. All of the fees incurred for this category during the Application Period totaling **\$165.00** have been written off.
- E. Employment Application.** The Applicant's procedures included preparing the Applicant's employment application and affidavit. The net fees incurred for this category during the Application Period totaled **\$1,240.00**. These fees represent approximately **4.60** hours of work at an average hourly rate of **\$269.56**.
- F. Plan Procedures to be Performed.** The Applicant's procedures included planning work procedures to review the various documentation involved and preparing analyses to estimate the value of the lost income to the Debtor. The net fees incurred for this category during the Application Period totaled **\$170.00**. These fees represent approximately **0.40** hours of work at an average hourly rate of **\$425.00**.
- G. Non-Working Travel.** The Applicant's procedures included travel to and from the home of HMR management. All of the fees incurred for this category during the Application Period totaling **\$1,720.00** have been written off.

Legal Standard for Awarding Compensation

- 8. Under § 330(a)(1) of the Code, the Court may award reasonable compensation for actual, necessary services rendered by the Applicant based on the nature, extent and value of the services rendered, time spent on such services and the cost of comparable services other than in a bankruptcy case. The Court may also award reimbursement for actual, necessary expenses.

9. In accordance with the Compensation Guidelines for Professionals in the United States Bankruptcy Court for the District of Maryland, courts look to the "lodestar" formula in assessing attorneys' and accountants' fees. Under this approach, courts consider the number of hours of service reasonably devoted to the case multiplied by the accountants' reasonable rates. This sum may be adjusted to reflect the characteristics of the particular case and the reputation of the professional. See e.g., Laffey v. Northwest Airlines, Inc., 572 F.Supp. 354, 361 (D.D.C. 1983), aff'd. In part, rev'd. In part, 746 F.2d 4 (D.C. Cir. 1984), cert. denied, 472 U.S. 1021, 105 S. Ct. 3488 (1985).

10. Many courts have frequently considered the specific lodestar factors set forth in Johnson v. Georgia Highway Express, Inc., 488 F.2d 714 (5th Cir. 1974) and applied to bankruptcy cases In re First Colonial Corporation of America, 544 F.2d 1291, 1298-99 (5th Cir.), cert. denied, 431 U.S. 904 (1977). These tests were adopted by the Fourth Circuit in Barber v. Kimbrells, Inc., 577 F.2d 216, 226 (4th Cir.), cert. denied, 439 U.S. 934 (1978). In Anderson v. Morris, 658 F.2d 246, 249 (4th Cir. 1981), the Fourth Circuit held that the District Court should consider the lodestar approach, which encompasses the Johnson factors (a) and (d) as set forth below, and then adjust the fee on the basis of the remaining Johnson factors.

11. In In re Bernard Hill, 133 B.R. 61 (Bankr. D. Md. 1991), the court supplemented the general lodestar principles by establishing ten (10) "cardinal rules" with which fee applications should comply:

- (a) Fee applications must make sense;
- (b) Fee applications must indicate what work was performed, when it was performed and how much money is being charged for performing it;
- (c) Services rendered should be reported in several broad, general categories;
- (d) Fee applications must contain a "lodestar" analysis;
- (e) Numbers must add up;

- (f) The names of the individuals who rendered services, together with their hourly rates and years of experience, must be disclosed;
- (g) Time records must be submitted with the fee application;
- (h) Out-of-pocket expenses for which reimbursement is sought must be set forth in the application; and,
- (i) When more than one professional or a firm of professionals is appointed to represent or furnish similar services to a debtor, the fee application(s) must indicate a clear division of labor and non-duplicative effort. See In re Bernard Hill, 133 B.R. at 62-63.

12. Invotex submits that an evaluation of the lodestar formula and the Johnson factors in the present case supports its request for fees for the following reasons:

- (a) **The time and labor required.** The amount of time required by the Applicant is reflected by the Application and the Exhibits attached to the Application. The Applicant performed the procedures requested and required efficiently in order to provide accounting, valuation, insolvency, and financial advisory services required as it relates to the claims held by the Debtor. The Applicant assigned specific tasks to appropriate levels to minimize fees.
- (b) **Novelty and difficulty of the questions involved and the skill applied.** The procedures included within the Application required a high level of skill and knowledge with aspects of valuation, financial analysis, and government contracts.
- (c) **The preclusion of other employment by the firm due to acceptance of this case.** Retention in this matter and the procedures included within the Application required the Applicant to devote a certain amount of time to this matter, but generally did not limit the Applicant's involvement in other engagements.
- (d) **The customary fee for similar work.** Applicant submits that the fees sought herein are warranted, and are generally less than or equal to competitive fees in the Maryland / Washington DC financial consulting market for firms with comparable practices, given the nature of these proceedings.

(e) **Whether the fee is fixed or contingent.** Pursuant to the Code, all fees sought by professionals retained in bankruptcy proceedings are subject to the approval of this Court. The Applicant did not undertake this engagement on a contingency basis and expects to be compensated on an hourly basis.

(f) **Time limitations imposed by the client or circumstances.** The procedures that were required, needed to be performed timely as specific needs arose. However, in general, time limitations were not significant for the procedures covered by the Application.

(g) **The amounts involved and the results obtained.** The amounts in the Application are for the ongoing accounting, valuation, insolvency and financial advisory services of Invotex as it relates to the claims held by the Debtor. At this time, there are no results to report based on the Applicant's work.

(h) **Experience, reputation and ability of the accountant and financial consultant.** Applicant has previously performed similar procedures in other bankruptcy matters, either as financial advisor to debtors, financial advisor to creditors committees, or as Court appointed trustee or plan administrator. Applicant maintains a staff of professionals with CPA, CIRA, and CFE credentials with over 20 years of bankruptcy, state receivership, and insolvency experience. Applicant has developed an excellent reputation in the Washington DC, Maryland, and Virginia legal and accounting communities.

(i) **The “undesirability” of the case.** This item has not been a factor in this engagement.

(j) **The nature and length of the firm’s professional relationship with the client.** Prior to this engagement, the Applicant had no known relationship with the Debtor or the defendants the Debtor has a claim against. The Applicant previously had a professional relationship with the Trustee in a prior case.

(k) **Awards made in similar cases.** Applicant submits that its request for compensation is well within the usual and customary awards granted in similar cases.

13. In addition to the Johnson factors discussed above, Applicant submits that this Application satisfies the ten (10) cardinal rules required by Bernard Hill:

- (a) The Application makes sense as it is structured to convey the information contained herein in an understandable and consistent manner.
- (b) The Application contains dates and categories of work, which reflect what work was performed and when it was performed. Further, the attached exhibits contain more detail on each specific item billed, the date the work was performed and exactly how much money is being charged for performing it.
- (c) The Application contains several broad and general categories of work performed, and substantiation for the work.
- (d) The Application contains a lodestar analysis.
- (e) The breakdown of services and disbursements adds up.
- (f) The names of the individuals who rendered services, together with their hourly rates, have been disclosed herein. The experience of Applicant has been set out herein and also in the Application for Authority to Employ filed by the Trustee.
- (g) A complete printout of detailed time records has been submitted with the Application as Exhibit A.
- (h) The Application does not contain any bill for any other firm of professionals other than Applicant. Each professional of Applicant has his or her services set forth independently in the exhibits attached hereto.

14. Applicant has been cognizant of avoiding unnecessary duplication of services and has employed the use of lower-rate associates as and when appropriate. Under these circumstances, and given the oversight of the work and billing processes, the reasonableness of Applicant's hourly rates and staffing, and the procedures performed, the Applicant has decided to write off **58.05** hours from its actual time incurred to date and **\$11,265.05** from this bill directly in its billing judgment and submits that the balance of the fees and expenses applied for herein is reasonable.

15. Applicant believes it has reasonably satisfied the requirements for fee applications in this District. Further, the fees and the expenses rendered by Applicant for which it seeks compensation and reimbursement are reasonable in light of this Court's decision In re Bernard Hill, Inc., 133 B.R. 61 (Bankr. D. Md. 1991), and In re Leonard Jed, 103 B.R. 706 (Bankr. D. Md. 1989), modified, 118 B.R. 339 (Bankr. D. Md. 1990). See also In re LBH Associates Limited Partnership, Case No. 87-5-2207-JS, reported at 24th Cir. & D.C. Bankr. Rep.

16. WHEREFORE, Invotex respectfully requests that this Court enter an Order:

- A. Approving the Application;
- B. Allowing and directing payment by the Trustee of fees of **\$31,601.45** (net of discretionary adjustments of **\$11,265.05**, or **26%**) for services rendered and **\$555.65** for expenses incurred, or a total of **\$32,157.10** to Applicant for this Application Period;
- C. Such other and further relief which is just and equitable.

Date: October 10, 2008


Neil H. Demchick
Managing Director
Invotex Group, Inc.
1637 Thames Street
Baltimore, Maryland 21231
(410) 539-8580

In Re: Health Management Resources, Inc.
Detail Listing of Time Charges for Health Management Resources, Inc.
For the Period of May 7, 2007 through October 31, 2007

Date	Professional	Description	Hours	Hourly Rate	Fees
A	Prepare for and meet / call with Legal Counsel or HMR Management				
5/7/2007	N. Demchick	Prepare for and meet with A. Frieman regarding case and procedures to perform	1.20	\$ 400.00	\$ 480.00
8/21/2007	K. Baden	Prepare for and meet with N. Demchick and R. Coleman re: company history	3.00	290.00	870.00
8/21/2007	N. Demchick	Prepare for and meet with R. Coleman and K. Baden regarding overview of HMR	2.60	425.00	1,105.00
9/7/2007	K. Baden	Prepare for and meet with R. Coleman re: finances, contracts, and operations of HMR	5.50	290.00	1,595.00
9/7/2007	N. Demchick	Prepare for and meet with R. Coleman and review documents in his possession	4.60	425.00	1,955.00
9/18/2007	K. Baden	T/c with former Bus Dev manager re: HMR documents	0.20	290.00	58.00
Total: Prepare for / participate in meeting / call with Legal Counsel			17.10	354.56	6,063.00

B	Read and Organize Documents Produced				
5/31/2007	K. Baden	Review and finalize organization of documents provided by counsel	2.00	250.00	500.00
7/5/2007	K. Baden	Prepare for and meet with N. Demchick re: document review	0.50	290.00	145.00
7/6/2007	K. Baden	Review inventory of documents in preparation for Bates stamp	0.50	290.00	145.00
7/6/2007	M. Gubbings	Organize documents by date order	2.60	95.00	247.00
7/10/2007	M. Gubbings	Continue to organize documents in chronological order; t/c to Courthouse Copy re: request documents to be bate stamped and copied	2.80	95.00	266.00
7/27/2007	M. Gubbings	Organize documents	0.70	95.00	66.50
7/30/2007	M. Gubbings	Document inventory	7.50	95.00	712.50
7/30/2007	K. Baden	Review docs and draft work plan	1.00	290.00	290.00
7/31/2007	M. Gubbings	Document inventory	5.70	95.00	541.50
8/1/2007	M. Gubbings	Document inventory	2.00	95.00	190.00
8/2/2007	M. Gubbings	Document inventory	5.40	95.00	513.00
8/2/2007	K. Baden	Review documents related to financials, contracts and attorney engagement; meet with N. Demchick re: same	1.50	290.00	435.00
8/2/2007	N. Demchick	Review material and meet with K. Baden	0.30	425.00	127.50
8/8/2007	C. Nardone	Review and analyze case data	3.40	165.00	561.00
8/8/2007	K. Baden	Organize documents	2.00	290.00	580.00
8/9/2007	K. Baden	Organize documents	1.00	290.00	290.00
8/13/2007	M. Gubbings	Document inventory	0.40	95.00	38.00
8/14/2007	M. Gubbings	Document inventory	6.10	95.00	579.50
8/15/2007	M. Gubbings	Document inventory	7.70	95.00	731.50
8/16/2007	M. Gubbings	Document inventory	1.60	95.00	152.00
8/17/2007	M. Gubbings	Document inventory	5.60	95.00	532.00
8/20/2007	M. Gubbings	Document inventory	4.90	95.00	465.50
9/17/2007	M. Gubbings	Organize financial, income taxes, proposals, etc.	2.70	95.00	256.50
9/18/2007	M. Gubbings	Organize documents	6.00	95.00	570.00
9/25/2007	K. Baden	Begin review of documents obtained from R. Coleman	0.80	290.00	232.00
10/2/2007	K. Baden	Review documents received from R. Coleman	3.20	290.00	928.00
10/3/2007	K. Baden	Review documents received from R. Coleman	2.50	290.00	725.00
10/4/2007	K. Baden	Review documents received from R. Coleman	2.20	290.00	638.00
10/5/2007	K. Baden	Review documents received from R. Coleman	1.20	290.00	348.00
10/8/2007	K. Baden	Review documents received from R. Coleman	1.80	290.00	522.00

Exhibit A

In Re: Health Management Resources, Inc.
Detail Listing of Time Charges for Health Management Resources, Inc.
For the Period of May 7, 2007 through October 31, 2007

Date	Professional	Description	Hours	Hourly Rate	Fees
10/11/2007	K. Baden	Meet with C. Nardone re: organizing documents reviewed	0.30	290.00	87.00
10/12/2007	C. Nardone	Organize and prepare table of contents re: financial documents	5.30	165.00	874.50
10/23/2007	C. Nardone	Organize documents	0.50	165.00	82.50
10/24/2007	M. Gubbings	Document inventory	4.60	95.00	437.00
Total: Read and Organize Documents Produced			96.30	143.40	13,809.00

C	Prepare Financial Analysis				
7/31/2007	D. Ciotta	Prepare financial statements	5.50	150.00	825.00
8/22/2007	C. Nardone	Review and prepare income statement 2004	3.80	165.00	627.00
8/22/2007	K. Baden	Meet with C. Nardone re: preparation of monthly schedule of 2004 financial results	0.30	290.00	87.00
8/23/2007	C. Nardone	Review and prepare monthly balance sheet 2004	5.50	165.00	907.50
8/23/2007	K. Baden	Review 2004 monthly financial schedules prepared by C. Nardone	0.50	290.00	145.00
8/24/2007	C. Nardone	Review and prepare balance sheet for the year 2004	4.20	165.00	693.00
8/27/2007	C. Nardone	Review court docket re: exhibits; review and prepare summary of balance sheet 2004; review contracts; prepare summary	8.00	165.00	1,320.00
8/27/2007	K. Baden	Review financial schedules prepared by C. Nardone	0.80	290.00	232.00
8/28/2007	C. Nardone	Review and prepare summary of government contracts	2.00	165.00	330.00
8/28/2007	K. Baden	Review contracts provided by debtor; review financial schedules prepared by C. Nardone	5.50	290.00	1,595.00
8/29/2007	K. Baden	Review financial schedule with C. Nardone; continue review of contracts	1.30	290.00	377.00
8/30/2007	C. Nardone	Review and prepare balance sheet	5.30	165.00	874.50
9/1/2007	K. Baden	Review contracts and update summary schedule	2.50	290.00	725.00
9/2/2007	K. Baden	Review and update 2004 balance sheet and income statement schedules from general ledger detail	1.50	290.00	435.00
9/4/2007	N. Demchick	Review and revise analyses	1.80	425.00	765.00
9/5/2007	K. Baden	Meet with N. Demchick re: contract analysis	0.50	290.00	145.00
9/5/2007	K. Baden	Review contract provision and prepare draft income statement for each contract	7.50	290.00	2,175.00
9/5/2007	N. Demchick	Review analyses and related meeting with K. Baden	1.30	425.00	552.50
9/6/2007	K. Baden	Meet with N. Demchick re: projected income statements prepared based on contracts; update projected income statements based on meeting	1.90	290.00	551.00
9/6/2007	N. Demchick	Review and revise schedules for meeting and discovery	0.80	425.00	340.00
9/25/2007	C. Nardone	Review financial documents; review account payable; prepare schedule	3.80	165.00	627.00
10/11/2007	C. Nardone	Review and organize correspondence files re: contracts, financial projections and statements	5.00	165.00	825.00
10/12/2007	K. Baden	Review Quickbooks file obtained from R. Coleman	1.20	290.00	348.00
10/13/2007	K. Baden	Review of contract related document received from R. Coleman	2.10	290.00	609.00

Exhibit A

In Re: Health Management Resources, Inc.
Detail Listing of Time Charges for Health Management Resources, Inc.
For the Period of May 7, 2007 through October 31, 2007

Date	Professional	Description	Hours	Hourly Rate	Fees
10/16/2007	K. Baden	Review additional contact documents and 2003 payroll for possible allocation of G&A expenses	2.20	290.00	638.00
10/17/2007	C. Nardone	Review and prepare schedule of income tax returns for 1999 thru 2003; review and prepare schedule of 2003 Form W-2s	1.50	165.00	247.50
10/17/2007	K. Baden	Meet with C. Nardone re: preparation of schedule detailing 1999 thru 2003 tax returns	0.40	290.00	116.00
10/22/2007	K. Baden	Financial analysis of 2002; reviewing revenue and comparing to backlog report	5.40	290.00	1,566.00
10/23/2007	C. Nardone	Review and complete schedules related to tax returns for 1999 thru 2003; review and prepare schedule of income statement for 2003	2.50	165.00	412.50
10/23/2007	K. Baden	Meet with C. Nardone re: preparation of schedule detailing tax returns and 2003 financials	0.30	290.00	87.00
10/30/2007	K. Baden	Review of 2004 financial data; gather supporting documents for financial schedules prepared	1.80	290.00	522.00
Total: Prepare Financial Analysis			86.70	227.21	19,699.50

D	Perform Administrative Procedures				
	10/8/2007	B. Marzano	Made copies of various documents for K. Baden	2.00	55.00 110.00
	10/11/2007	B. Marzano	Made copies of various documents for K. Baden	1.00	55.00 55.00
Total: Perform Administrative Procedures			3.00	55.00	165.00

E	Employment Application				
	5/9/2007	K. Baden	Prepare draft employment application and affidavit	4.00	250.00 1,000.00
	5/22/2007	N. Demchick	Review and revise employment application, affidavit, order and engagement letter	0.60	400.00 240.00
Total: Employment Application			4.60	269.57	1,240.00

F	Plan Procedures to be Performed				
	7/30/2007	N. Demchick	Plan procedures to be performed	0.40	425.00 170.00
Total: Plan Procedures to be Performed			0.40	425.00	170.00

G	Non-working Travel				
	8/21/2007	K. Baden	and R. Coleman	1.50	290.00 435.00
	9/7/2007	K. Baden	Travel to / from R. Coleman home	1.50	290.00 435.00
	9/7/2007	N. Demchick	Travel to / from R. Coleman home	2.00	425.00 850.00
Total: Non-working Travel			5.00	344.00	1,720.00

Grand Total		213.10	\$201.16	\$ 42,866.50
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In Re: Health Management Resources, Inc.
Detail Listing of Time Charges for Health Management Resources, Inc.
For the Period of May 7, 2007 through October 31, 2007

Date	Professional	Description	Hours	Hourly Rate	Fees
H	Less Discretionary Adjustments:				
		Prepare for and meet / call with Legal Counsel or HMR Management	(8.50)	290.00	(2,465.00)
		Read and Organize Documents Produced	(35.67)	99.94	(3,564.70)
		Prepare Financial Analysis	(5.88)	229.65	(1,350.35)
		Perform Administrative Procedures	(3.00)	55.00	(165.00)
		Non-working Travel (100%)	(5.00)	344.00	(1,720.00)
		Courtesy Discount			(2,000.00)
		Total: Discretionary Adjustments	(58.05)	194.06	(11,265.05)
Net Fees			155.05	\$203.81	\$ 31,601.45

In Re: Health Management Resources, Inc.
Detail Listng of Expense Charges for Health Management Resources, Inc.
For the Period of May 7, 2007 through October 31, 2007

Date	Vendor	Description	Fees
6/1/2007	Pacer	Pacer charges for May 2007	\$ 21.04
7/24/2007	Copy	Vendor Courthouse Copy Services, Inc.	182.03
8/29/2007	Postage	Federal Express charges	14.88
8/31/2007	Copy	Copy charges for August 2007	23.00
9/7/2007	Meals	Meal with N Demchick, K Baden, and R Coleman	68.54
9/30/2007	Telephone	Telephone charges	4.80
9/30/2007	Pacer	Pacer charges for September 2007	2.16
10/31/2007	Copy	Copy charges for October 2007	239.20
Total:			<u><u>\$ 555.65</u></u>

CERTIFICATE OF SERVICE

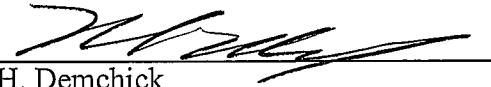
I HEREBY CERTIFY that on this 10th day of October, 2008, a copy of the foregoing Application was mailed first class, postage prepaid to:

Adam M. Freiman,
Special Counsel to Trustee
Sirody, Freiman & Feldman, P.C.
1777 Reisterstown Road
Suite 360 E
Baltimore, MD 21208

Steven H. Greenfeld
Cohen, Baldinger & Greenfeld, LLC
7910 Woodmont Avenue
Suite 760
Bethesda, MD 20814
Trustee

Office of the U.S. Trustee
Attn: Lynn A. Kohen
6305 Ivy Lane
Suite 600
Greenbelt, MD 20770

Leonard Tober
Law Offices of A.P. Pishevar & Associate
600 E. Jefferson Street
Suite 316
Rockville, MD 20852


Neil H. Demchick
Managing Director
Invotex Group
1637 Thames Street
Baltimore, MD 21231
(410) 539-8580

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Greenbelt Division)

In re:

Health Management Resources, Inc.

Debtor

Case No: 05-12871-WIL

Chapter 7

* * * * *

**ORDER GRANTING AMENDED FIRST APPLICATION OF INVOTEX GROUP
AS FINANCIAL ADVISORS TO SPECIAL COUNSEL TO THE TRUSTEE FOR
ALLOWANCE OF INTERIM COMPENSATION FOR SERVICES RENDERED
AND REIMBURSEMENT OF EXPENSES INCURRED FOR THE PERIOD OF
MAY 7, 2007 THROUGH OCTOBER 31, 2007**

Upon consideration of the Amended First Interim Fee Application of Invotex Group as Financial Advisors to Special Counsel for Allowance of Interim Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period of May 7, 2007 through October 31, 2007 (the "Application"), adequate and proper notice having been given, any objections having been addressed or resolved, and it appearing that the compensation requested is reasonable and a benefit to these estates, it is, by the United States Bankruptcy Court for the District of Maryland, hereby

ORDERED, that the request contained within the Application be, and the same is hereby, approved and allowed in the amount of **\$31,601.45** as compensation for services rendered and **\$555.65** as reimbursement of expenses incurred during the period of May 7, 2007 through October 31, 2007, and it is further:

ORDERED, that the Trustee be, and hereby is, upon entry of this Order, authorized and directed to release and deliver to Invotex the sum of **\$32,157.10** as compensation for Invotex's services and expenses.

END OF ORDER

Adam M. Freiman
Sirody, Freiman & Feldman, P.C.
1777 Reisterstown Road
Suite 360 E
Baltimore, MD 21208
Special Counsel to Trustee

Steven H. Greenfeld
Cohen, Baldinger & Greenfeld, LLC
7910 Woodmont Avenue
Suite 760
Bethesda, MD 20814
Trustee

Office of U.S. Trustee
Attn: Lyn A. Kohen
6305 Ivy Lane
Suite 600
Greenbelt, MD 20770

Leonard Tober
Law offices of A.P. Pishevar & Associate
600 E. Jefferson Street
Suite 316
Rockville, MD 20852

Neil H. Demchick
Managing Director
Invotex Group
1637 Thames Street
Baltimore, Maryland 21231

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Greenbelt Division)

In re:

Health Management Resources, Inc.

Case No: 05-12871 - WIL

Debtor

Chapter 7

* * * * *

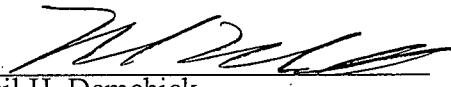
**AMENDED NOTICE OF AMENDED FIRST APPLICATION FOR ALLOWANCE OF
INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES INCURRED
BY INVOTEX GROUP AS FINANCIAL ADVISORS
TO SPECIAL COUNSEL TO THE TRUSTEE
FOR PERIOD OF MAY 7, 2007 THROUGH OCTOBER 31, 2007**

Amended Notice is hereby given that an Amended First Application for Allowance of Interim Compensation and Reimbursement of Expenses Incurred by Invotex Group as Financial Advisors to Special Counsel to the Trustee for the period of May 7, 2007 through October 31, 2007, has been filed in the above proceeding.

The Applicant has filed an Application which seeks compensation of \$31,601.45 (net of discretionary adjustments of \$11,265.05, or 26%) for professional services provided and \$555.65 for expense incurred during the period of May 7, 2007 through October 31, 2007, or a total of \$32,157.10.

A copy of the Application is on file with the Bankruptcy Court. Any creditor wishing to object to the requested compensation and reimbursement of expenses must file such an objection in writing with the Clerk of the United States Bankruptcy Court, Federal Courthouse, 6500 Cherrywood Lane, Suite 300, Greenbelt MD 20770, within Twenty (20) days from the date of this Notice. A copy of any objection should be served on the undersigned, and upon the Assistant United States Trustee, 6305 Ivy Lane, Suite 600, Greenbelt, Maryland 20770. If an objection is filed, the Court may act on any such objection with or without a hearing, at its discretion. If no objections are filed, the Court may approve the Application without further notice.

Date: October 10, 2008


Neil H. Demchick
Managing Director
Invotex Group
1637 Thames Street
Baltimore, Maryland 21231
(410)539-8580

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 10th day of October, 2008, a copy of the foregoing Application was mailed first class, postage prepaid to:

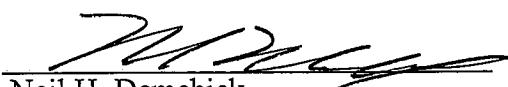
Adam M. Freiman
Special Counsel to Trustee
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Office of U.S. Trustee
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600 E. Jefferson Street
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Date:


Neil H. Demchick
Managing Director
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